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# Effect of Communication Strategy on Revenue Collection of Kenya Revenue Authority at North Rift Region.

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**Abstract**

*Despite contributing to the growth of the economy, tax legal policies and processes present difficulties in administering and compliance among KRA and tax payers. Moreover it is this complexity that has created loop holes resulting in significant revenue leakages. The study aimed at determining the effects of Communication Strategy on revenue collection at Kenya Revenue Authority in the North Rift Region. The research was guided by Stewardship Theory. It adopted a cross-sectional survey design which is analytical in nature. The study targeted a population of 386 KRA employees from 3 KRA stations in north rift region. The study sampled 191 respondents using simple random sampling method. Data was collected using questionnaires. Descriptive statistics and inferential statistics were used to analyze data. Descriptive statistics involved the use of frequency, percentages mean and standard deviation. Inferential statistics involved the use of correlation and regression model. The results of the study were presented using tables and figures. The results revealed that there is effect of communication strategy on revenue collection at Kenya Revenue Authority. The study recommended that KRA should adopt appropriate communication strategy in order provides relevant information and adequate motivation to impact on attitudes and behaviors of individuals or groups of people. The study findings would be beneficial to the government in relation to policy making and strategy formulation in line to its expectations from KRA as an institution. The findings of this study would also give KRA management relevant information to help them build and improve their strategic responses in relation to revenue collection. Equally, the findings of this study would enrich existing knowledge and hence would be of interest to both researchers and academicians who seek to explore and carry out further investigations.*

## 1.0 Introduction

In the world across the revenue collected may be affected by various factors; One of the key factor is corruption (Imam & Jacobs, 2012). Compared to other middle income regions, there was low revenue collection as a share of GDP in Middle East and this was partly due to correction. The GDP had an impact on tax revenues. Also tax reforms have a negative impact on tax revenues (Ajaz, Ahmed & Wilford, 2010).

At the global level, the challenges related to the taxation of multinational companies have increased the political pressure to strengthen the international rules of cooperation in corporate tax matters (Cabos, 2012). Following the crisis and the increased revenue needs, the OECD proposed an action plan against base erosion and profit shifting to reinforce the current international tax rules and stabilize national tax bases. The OECD project focuses on the interaction of different (national) tax rules and tries to detect and close loopholes in the current setup (Sadiq, Kerrie & Coleman, 2013). EU faces challenges beyond the issue of closing loopholes in the existing international setup. Tax avoidance and aggressive tax planning by multinational companies distort price signals in the single market and thereby the allocation of resources. Companies which use tax avoidance are more profitable and face lower capital costs compared to domestic companies.

In Africa, performance measurement has significant influence in supporting the achievement of an organization' s goals and the effectiveness and efficiency of its strategic planning process. Thus, in order to assess the level of success or otherwise

of a corporate body, its established strategic plans in connection with the performance of the company in all fronts of operations had to be established. Authors Ouakouak, & Ouedraogo, (2013) asserted to the positive correlation between strategic planning and performance achievements as very beneficial for organizations. In their studies Wairimu, & Theuri (2014) further emphasized the need for organizations to align their strategies with their performance measurement systems.

According to Tanzania Revenue Authority report (2008) Tanzania Revenue Authority (TRA) the implementation of the Second Corporate Plan. The Second Corporate Plan has a total of 70 major initiatives out of which 65 initiatives were completed and the remaining 5 were to be implemented by June 2008 making up a 100% performance. Revenue collection increased by 79% from Shs 1.4 trillion during the year 2013/04 to Shs 2.5 trillion in 2016/07 and reached Shs 3.3 trillion in 2008 which was an increase of 136% for the five year period. The performance has been very good given the fact that Management had to strike a good balance between continuously increasing revenue collections and implementing reforms and the fact that the estimated target by the fifth year of the Second Corporate Plan was to collect Shs 2.4 trillion. The vision for the Third Corporate Plan was to be "A Modern Tax Administration by 2013" with a mission of being "An effective and efficient Tax Administration which promotes voluntary tax compliance by providing high quality customer service with fairness and integrity through competent and motivated staff". The vision and mission have been decomposed to five balanced strategic goals namely: Increasing Revenue Collection in a Cost Effective Way; Modernized TRA Operations; Provision of High Quality and Responsive Customer Services; Promotion of Voluntary Tax Compliance and Enhancement of Staff Performance Management System.

In Kenya the authority concern with revenue collection is the Kenya Revenue Authority (KRA) which was established by an Act of parliament, Cap. 468 of the laws of Kenya, which became effective on 1st July 1995.The Kenya Revenue Authority was established for the purpose of enhancing the mobilization of government revenue, while providing effective tax administration and sustainability in revenue collection. In particular, the functions of the Kenya Revenue Authority are to assess, collect and account for all revenues in accordance with the written laws and the specified provisions of the written laws, advise on matters relating to the administration, and collection of revenue under the written laws or the specified provisions of the written laws, and perform such other functions in relation to revenue as the Minster may direct. (Kenya Revenue Authority, 2015).

The Authority has faced daunting challenges since its inception. These include poor operating procedures, undocumented internal business processes, and lack of a service ethos across all customs management levels, adversarial relationship between custom sand businesses, insufficient or inefficient supporting infrastructure, and lack of a facilitation culture in other government departments, corruption and illicit trade. However, despite these challenges, the authority has evolved into a modern and fully integrated revenue administration agency.

According to the KRA Revenue Performance Report 2016-17 revenue collection in FY 2016/17 reached a new record with sh. 1.365 trillion being collected in comparison with sh. 1.210 trillion collected in FY 2015/16, a growth of 13.8%. In comparison with 2011/12 when sh. 707.4 billion was collected, revenue collection has doubled in a span of 5 years. FY 2016/17 growth represents an improvement over last year's performance of 12%, and compares well with the 5-year average growth trend of 14.3%. It also represents the highest growth over the previous 3 -year period 2014/15 to 2016/17. FY 2016/17 performance compares well with prevailing economic indicators including GDP growth of 5.5% and average inflation rate of 8.1%, the latter which mainly affected food items exempt from taxation. The FY also recorded weak growth in cargo import traffic, a phenomenon witnessed across all the EAC economies, and which adversely impacted Customs revenue. Presently Kenya's Tax-to-GDP ratio stands at 19.3%, which is the 2nd highest in non-oil economies within Africa, and the highest within the EAC where the average stands at 14.8% (John Njiraini, Commissioner General, KRA. June 2017).

**Statement of the Problem**

Despite considerable growth in revenue collection, KRA has had to make stringent decisions in order to match the revenue targets given by the treasury. Among these decisions including but not limited to raising enforcement levels to non-compliant taxpayers which includes arrest and confiscating properties, freezing of bank accounts, reintroduction of new tax obligations such as CGT, which saw KRA face serious court battles with taxpayers, introduction of withholding VAT, tax on foreign income and rental income tax obligation among other measures to try meet the pressure of revenue targets given by government.

According to IMF report, Kenyan GDP growth has been consistently growing for the past 4 years from

USD50.4billion in 2012 to USD68.9billion in 2016 a development which should be reflected by and large in revenue growth, GDP to tax rates dropped from 8.4% in 2010 to 5.3% in 2015. According to ICPAK Fiscal Analysis (2015), Kenyan Tax revenue to GDP still remains low at 15.3% compared to Swedish counterparts whose rate stands at 25% and are now global best practice in adopting corporate planning techniques in improving revenue collection.

It's from the basis of this rationale that there has been serious conversation within the authority to depart from traditional focus to revenue mobilization to the one that focus on corporate planning a move which ensure seamless flow of information from Authority to staff and to the taxpayer through efficient Communication, Implementation and Evaluation of performance. For this reason, there was a need to study the effect of corporate planning on revenue collection.

**Purpose of the study**

The study aimed at determining the effect of communication startegy on revenue collection at Kenya Revenue Authority in the North rift region

**2.0 Literature Review**

**Theoretical review**

**Stewardship Theory**

Stewardship Theory was developed by Donaldson in 1991. Stewardship Theory is a new perspective to understand the existing relationships between ownership and management of the company. Stewardship Theory places greater value on goal convergence among the parties involved in corporate governance than on the agent's self-interest (Van Slyke, 2016). This theory holds that there is no conflict of interest between managers and owners, and that the goal of governance is, precisely, to find the mechanisms and structure that facilitate the most effective coordination between the two parties (Donaldson, 1990). Stewardship Theory holds that there is no inherent problem of executive control, meaning that organizational managers tend to be benign in their actions (Donaldson, 2008).

The essential assumption underlying the prescriptions of Stewardship Theory is that the behaviors of the manager are aligned with the interests of the principals. The economic benefit for the principal in a principal-steward relationship results from lower transaction costs associated with the lower need for economic incentives and monitoring. This assumption allows one to picture a comprehensive model that it does not reflect the motivation that agents may have to deviate from an agent position towards that of steward.

Another point that needs further exploration in Stewardship Theory is the assumption that becoming a steward or an agent is the result of a rational process. In this rational process, the individual evaluates the pros and cons of one position versus the other. For instance, there are contributions in stewardship literature that argue that stewards are not altruistic, but that there are situations where executives perceive that serving shareholders' interests also serves their own interests (Lane, Cannella & Lubatkin, 1998)

Further assumption to the theory states that stewardship relationships rely heavily on the trust and reciprocity developed between the principal and the manager through a history of interactions. It is argued that when the principal's relationship with the manager is characterized by honesty and uprightness, he is helping the manager to learn how to value the consequences of his decisions in others' welfare, and they may help to change his preferences and develop identification with the company. Up to now, the debate of stewardship formation has been dominated by rationality; however, it will be argued that there are elements that transcend rationality, such as evaluative learning and transcendent motives, and that they are crucial to understand why individuals are disposed to move beyond an opportunistic position.

Critics of the theory claim that the process through which the parties decide to be agents or stewards can be synthesized as follows: First, this is a decision made by both parties of the relationship. Second, the psychological characteristics and the cultural background of each party predispose the individuals to make a particular choice. Finally, the expectation that each party has about the other will influence the choice between agency or stewardship relationships. Davis *et al.,* (1997) remain silent, however, about the specific interactions of antecedents in the prediction of Stewardship versus Agency Theory. When the factors that surround the individual, both psychological and situational, are aligned to make him decide to be a steward or agent, the situation is clear as there is no conflict inside the person. The problem arises when there are conflicting forces between the psychological and the situational factors. In the existing literature on Stewardship Theory it is not evident which are the underlying mechanisms that make an individual opt for one position or the other, what sort of situational factors - if any -can influence the person to transcend his own self-interest, and how the individual resolves his internal inter-motivational conflict.

Critics states that in this situation, agents would recognize that the company's performance directly impacts perceptions of their individual performance. In other words, in being effective stewards of the organization, they also manage their own careers (Daily, Dalton & Cannella, 2013).

This theory is relevant to the study because it links effects of communication strategy collection of revenues by Kenya revenue authority. When the two interact together, neither of them should feel the other is opportunistically or feels betrayed, but when this arises it results in a situation where the two parties end up planning for conducive situation for both parties.

**Revenue Collection**

The Kenya Revenue Authority (officially abbreviated as K.R.A.) is the tax collection agency of Kenya. It was formed July 1, 1995 to enhance tax collection on behalf of the Government of Kenya. It collects a number of taxes and duties, including: value added tax, income tax and customs. Since KRA's inception, revenue collection has increased dramatically, enabling the government to provide much needed services to its citizenry like free primary education and Health Services to all. Over 9. 0% of annual national budget funding comes from local taxes collected by the KRA.

Kenya Revenue Authority Act (Cap 469) defines revenue as taxes, duties, fees, levies, charges, penalties, fines or other monies collected or imposed under the written laws set out in the First. Schedule. Revenue collection is the act by which the government collects its taxes. These taxes are PAYE, import duty, excise duty, VAT, Agency Taxes and Exchequer Revenue. The Agency Taxes include Airport Revenue, Petroleum Development Levy, Road Transit Toll, Sugar Level, Traffic Fees, Petroleum Regulatory Levy, Merchant Shipping Fee and Railway Development Levy. Exchequer Revenue includes Stamp Duty and Import Declaration Fees (Kra fs 2010).

Scholars and Researchers have done studies on revenue collection both locally and international with the aim of establishing reasons for poor revenue collection. (Kra fs 2010) highlighted that some of the factors that affect revenue collection are Integrity issues, Politics, Economical issues, Social issues, Technical advancements, Environmental Analysis and Legal Analysis. Forum Economic Ministries (2010) "A study on improving revenue collection and capacity in Forum Island Countries, with particular reference to addressing the impacts of the global economic crisis and trade liberalization." All these studies in one way or another looked into ways to improve revenue collection. This therefore indicates clearly that a lot need to be done in looking at ways that revenue collection can be improved.

**Conceptual Framework**

Conceptual framework shows the relationship between the variables in the study. It creates the independent variable and dependent variable which were; Communication strategy will be the independent variable while the revenue collection will be the dependent variable.

**Communication Strategy**

- ✓ Service charter reliability
- ✓ Mission & vision understanding
- ✓ Understanding level
- ✓ Level of feedback flow
- ✓ Effectiveness of staff mail

**Revenue Collection**

- ✓ Value Added Tax collected
- ✓ Performance level
- ✓ Efficiency level of collection

**Independent variable** **Dependent variable**

Fig:1.1 Conceptual Framework

**3.0 RESEARCH METHODOLOGY**

**Research Design**

The study adopted a cross-sectional survey design which is analytical in nature. Research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure (Kothari, 2014). This design was chosen since it allows the capture of information based on data gathered for a specific point in time. The data gathered was from a pool of participants with varied characteristics.

**Target Population**

The target population in statistics is the specific population about which information is desired. The study targeted 386 employees from the 3 KRA stations selected from North Rift Region (Eldoret, Lodwar and Kitale).

The target population is shown in table 3.1

**Table 3.1 Target Population**

| Station | Employees | Population |
|---|---|---|
| **ELDORET** | Commissioners | 19 |
| | Customs and Border Control officers | 47 |
| | Domestic Taxes officers | 55 |
| | Investigations & Enforcement officers | 35 |
| | Intelligence and Strategic Operations officers | 29 |
| | Legal Services and Board Coordination officers | 24 |
| | Strategy and Innovation officers | 17 |
| | Risk Management officers | 32 |
| **Total** | | **258** |
| **LODWAR** | Commissioners | 11 |
| | Customs and Border Control officers | 9 |
| | Domestic Taxes officers | 12 |
| | Investigations & Enforcement officers | 17 |
| | Intelligence and Strategic Operations officers | 13 |
| | Legal Services and Board Coordination officers | 8 |
| | Strategy and Innovation officers | 7 |
| | Risk Management officers | 9 |
| **Total** | | **86** |
| **KITALE** | Commissioners | 5 |
| | Customs and Border Control officers | 4 |
| | Domestic Taxes officers | 7 |
| | Investigations & Enforcement officers | 11 |
| | Intelligence and Strategic Operations officers | 9 |
| | Legal Services and Board Coordination officers | 1 |
| | Strategy and Innovation officers | 2 |
| | Risk Management officers | 3 |
| **Total** | | **42** |

***Source (Eldoret station,* Taxpayers Service Department. May 2017*)***

**Sample size and Sampling Procedures**

Churchill and Brown (2014) noted that the correct sample size in a study is dependent on factors such as the nature of the population to be studied, the purpose of the study, the number of variables in the study, the type of research design, the method of data analysis and the size of the accessible population. Proportionate sampling technique was used to arrive at a sample size of the study which was 191 KRA employees derived using Krejcie & Morgan table (attached in appendix I) derived from formula for finite population which is calculated as:

$$S = \frac{X^2NP(1-P)}{d^2(N-1) + X^2P(1-P)}$$

Where*:*

S = Required Sample size

X = Z value (e.g. 1.96 for 95% confidence level)

N = Population Size

P = Population proportion (expressed as decimal) (assumed to be 0.5 (50%)

d = Degree of accuracy (5%), expressed as a proportion (.05); It is margin of error

The sample size for the study was therefore 191 as shown in table 3.2 below.

**Table 3.2 Sample Size**

| Station | Employees | Population |
|---|---|---|
| **ELDORET** | Commissioners | 11 |
| | Customs and Border Control officers | 14 |
| | Domestic Taxes officers | 21 |
| | Investigations & Enforcement officers | 19 |
| | Intelligence and Strategic Operations officers | 13 |
| | Legal Services and Board Coordination officers | 27 |
| | Strategy and Innovation officers | 10 |
| | Risk Management officers | 12 |
| **Total** | | **7** |
| **LODWAR** | Commissioners | 5 |
| | Customs and Border Control officers | 9 |
| | Domestic Taxes officers | 3 |
| | Investigations & Enforcement officers | 2 |
| | Intelligence and Strategic Operations officers | 7 |
| | Legal Services and Board Coordination officers | 4 |
| | Strategy and Innovation officers | 42 |
| | Risk Management officers | 3 |
| **Total** | | **4** |
| **KITALE** | Commissioners | 3 |
| | Customs and Border Control officers | 3 |
| | Domestic Taxes officers | 1 |
| | Investigations & Enforcement officers | 2 |
| | Intelligence and Strategic Operations officers | 3 |
| | Legal Services and Board Coordination officers | 21 |
| | Strategy and Innovation officers | 11 |
| | Risk Management officers | 14 |
| **Total** | | **21** |

**Source (Eldoret station, Taxpayers Service Department. May 2017*)***

The study used stratified sampling technique where the north rift region KRA stations formed strata. Proportionate sampling was used to distribute the sample between stations. The sample per stations was further proportionately distributed between the employees (Commissioners Customs and Border Control officers, Domestic Taxes officers, Investigations & Enforcement officers, Intelligence and Strategic Operations officers, Legal Services and Board Coordination officers, Strategy, Innovation and Risk Management officers). This enhanced distribution, representation and avoidance of bias in sampling.

**Research Instruments**

The study utilized questionnaires to collect data from respondents. A fully structured questionnaire was developed for this study as it ensured a standardized data collection procedure so that the data obtained are internally consistent and can be analyzed in a uniform and coherent manner. According to Orodho (2009) each item on the questionnaire should be developed to address a specific objective, research question. The target population is literate and given the time constraints, questionnaire was the ideal tool for data collection.

**Data Collection Procedure**

The researcher collected data using questionnaires. The rationale for this is that the study is concerned mainly with variables that cannot be directly observed such as views opinions, perception and feeling of the respondents. More so, the target population was literate and given the time constraints, questionnaire was the ideal tool for data collection. Questionnaires was distributed to the employees from the Kenya Revenue Authority then collected after the agreed period of time.

**Validity and Reliability of Research Instruments**

Validity was tested through availing the research instruments to be used in the study to the supervisors and other specialized lecturers in the field of study in the School to review the test items so as to ensure that they are based on the content area before commencing on the real data collection. The researcher therefore gave to the supervisor and other research experts to ensure that the questions were tested.

The researcher piloted the instruments by distributing 20 questionnaires to respondents at Uasin Gishu County Government, which is not part of the area sampled. The pilot respondents represented 10% of the sample size. According to Pallant (2011) when using the Cronbach's Alpha value to test reliability, a value above 0.7 is considered acceptable; however, a value above 0.8 is preferable. The results of the piloted research instruments enabled the researcher to determine the consistency of responses to be made by respondents and adjust the items accordingly by revising the document.

## 4.0 DATA ANALYSIS, PRESENTATION, INTERPRETATION AND DISCUSSION

**Questionnaire Return Rate.**

In this study data were collected by administering questionnaires to respondents. Out of the 191 questionnaires administered, 188 were dully filled and returned therefore representing a response rate of 98.4%. According to Bable (1995), a response rate of 70% and above is satisfactory to conduct adequate data analysis.

**Validity and Reliability**

Data collected from pilot study which was carried in Uasin Gishu County Government were used to test for validity and reliability of research instruments. The validity of the research instruments was determined through the content validity. Content validity was determined using constructive criticism from project supervisor who have an extensive experience and expertise in questionnaire construction.

Piloted data were used to test for reliability using Cronbach's Alpha. According to Pallant (2011) when using the Cronbach's Alpha value to test reliability, a value above 0.7 was considered acceptable; however, a value above 0.8 was preferable. The results of the piloted research instruments enabled the researcher to determine the consistency of responses to be made by respondents and adjust the items accordingly by revising the document. The results of the reliability tests were as shown in the (Table 4.2);

**Table 4.2 Reliability Test**

| **Items** | Cronbach's Alpha | No. of Items |
|---|---|---|
| Communication strategy | 0.954 | 4 |

The study findings indicated that all values of Cronbach's Alpha were above 0.7 giving an implication that the research instruments used for data collection were all reliable. The Cronbach's values for dependent variable; revenue collection was 0.879. The findings imply that the research instruments used to collect the data was reliable as it surpassed the 0.7 threshold for use in research studies.

**Demographic Analysis**

This part of the questionnaire intended to establish the respondent's personal information. Information sought included the gender, age, employment period, and education level of respondents.

**Table 4.1 Demographic Analysis**

| **Gender** | **Frequency** | **Percent** |
|---|---|---|
| Male | 100 | 53.2 |
| Female | 88 | 46.8 |
| Total | 188 | 100 |
| **Age** | | |
| 18-29 years | 40 | 21.3 |
| 30-39 years | 110 | 58.5 |
| 40-49 years | 23 | 12.2 |
| 50-above | 15 | 8 |
| Total | 188 | 100 |
| **Education Level** | | |
| Certificate | 26 | 13.8 |
| Diploma | 62 | 33 |
| Undergraduate | 71 | 37.8 |
| Masters | 29 | 15.4 |
| Total | 188 | 100 |
| **Employment period** | | |
| Below 5 years | 26 | 13.8 |
| 5-10 years | 116 | 61.7 |
| Above 10 years | 46 | 24.5 |
| Total | 188 | 100 |

The results (Table 4.1) show that 51% of the respondents were male while 49% were female. This shows that the opinions of both genders were taken into consideration during this study and that there was no gender biasness. This implies male were willing to give information's about effects of corporate planning on revenue collection as compared to female.

Further from study findings it revealed that majority of the respondents were of age 30-39 years with 110 (58.5%), 40 (21.3%) of respondents were of age between 18-29 years and 23(12.2%) were between 40-49 years old. However, 15(8.0%) of the respondents were of age 50 and above years. It was important for the study to establish the age of the respondents so as to ascertain the age bracket that is most involved in corporate planning. This implies that the majority of respondents were aged employees who have valid information's on corporate planning on revenue collection at Kenya revenue authority.

Study findings on education level revealed that 71(37.8%) of respondents had acquired university degrees with 29(15.4%) having master's degrees. This meant that the respondents didn't struggle with answering the questions since they were all versed with the effects of corporate planning on revenue collection at Kenya revenue authority and majority had attained degree level hence understand their work well hence can trace effects corporate planning on revenue collection at Kenya revenue authority.

For the respondents, the participants had diverse number of years in employment period categories that ranged from less than 5 year to above 10 years. The study findings indicated that those who had been employed in KRA between 5-10 years were significantly higher (61.7%). This was followed by those who have been employed above 10 years at 24.5 %, while the least are who have been employed for less than 5 year (13.8%).

**Descriptive Analysis**

**Communication Strategy**

The study sought to establish the effect of communication strategy on revenue collection at Kenya Revenue Authority. The findings were analyzed as shown in the table 4.5;

**Table 4.5 Communication Strategy**

| Statement | Total | Mean | Sd |
|---|---|---|---|
| Current authority's service charter is well articulated, simplified and practicable | 188 | 4.24 | .69 |
| KRA mission, vision and Values are sufficiently communicated and understood | 188 | 4.44 | .61 |
| Feedback mechanism are installed and clear | 188 | 4.45 | .61 |
| The KRA has put in place proper systems to ensure reliable media flow throughout organization structure. | 188 | 4.41 | .63 |
| Aggregate mean score | 188 | 4.39 | 0.635 |

The study results (table 4.5) revealed that majority of respondents (mean=4.24 and Sd= 0.69) agreed that current authority's service charter is well articulated, simplified and practicable. Also respondents agreed that that KRA mission, vision and values are sufficiently communicated and understood (mean=4.44 and Sd= 0.61). Furthermore respondents agreed that feedback mechanism are installed and clear (mean=4.45 and Sd= 0.61). Lastly respondents agreed that the KRA has put in place proper systems to ensure reliable media flow throughout organization structure.

The aggregate mean score revealed that there is effect of communication strategy on revenue collection at Kenya Revenue Authority. The current authority's service charter is well articulated, simplified and practicable which helps in enhancing the revenue collections , KRA mission, vision and Values are sufficiently communicated and understood, the feedback mechanism at KRA are installed and clear and the KRA has put in place proper systems to ensure reliable media flow throughout organization structure. These gives implication that appropriate communication strategy used in KRA is clear where the sender and receiver use the same channel and are experienced using it. It provides relevant information and adequate motivation to impact on attitudes and behaviors of individuals or groups of people Strategic communication management adopted at KRA as the systematic planning and realization of information flow, communication, media development and image care in a long-term horizon.

**Inferential Findings and Discussions**

Table 4.6: Correlation Table

| | **Communication Strategy** | **Revenue collection** |
|---|---|---|
| **Communication strategy** | 1 | .473** |
| **Revenue collection** | .473** | 1 |

From Pearson Correlation the study results indicated that communication strategy, implementation strategy, evaluation strategy were positively correlated with and revenue collection ($r = 0.473$, $p < 0.05$). This means that the more the efficient the communication strategy the more revenue collections. This implies that KRA should adopt efficient strategies in order to increase revenue collection.

**Table 4.6 Model Summary**

| Model Summary | | | | |
|---|---|---|---|---|
| **Model** | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| **1** | .561 | .314 | .303 | .55283 |

From the study results the coefficient of correlation coefficient (R) and determination ($R^2$) shows the degree of association between corporate planning and revenue collection at Kenya revenue authority. The results in table 4.11 on model summary indicated that $R = 0.561$ and $R^2 = 0.314$. R value gives an indication that there is a linear relationship between communication strategy and revenue collection at Kenya revenue authority. The $R^2$ indicates that explanatory power of the independent variables is 0.314. This means that about 31.4% of the variation in revenue collection is explained by the regression model. This implies that the data that

had been employed in the regression model were accurate.

**Table 4.7 ANOVA**

| ANOVA | | | | | | |
|---|---|---|---|---|---|---|
| **Model** | | Sum of Squares | df | Mean Square | F | Sig. |
| **1** | Regression | 25.763 | 3 | 8.588 | 28.099 | .000[b] |
| | Residual | 56.234 | 184 | .306 | | |
| | Total | 81.998 | 187 | | | |

The ANOVA (table 4.13) for the regression F test provides an overall test of significance of the fitted regression model. The F value indicates that all the variables in the equation are important hence the overall regression is significant. The F-statistics produced ($F = 28.099$) was significant at $p=0.000$ thus confirming the fitness of the model and therefore, there is statistically significant relationship between corporate planning and revenue collection at Kenya revenue authority. This means that at least one of the independent variables is a significant predictor of the dependent variable.

**Table 4.8 Regression Analysis**

| | **Unstandardized Coefficients** | | **Standardized Coefficients** | **t** | **Sig.** |
|---|---|---|---|---|---|
| | B | Std. Error | Beta | | |
| (Constant) | .957 | .373 | | 2.566 | .011 |
| Communication strategy | .404 | .084 | .336 | 4.825 | .000 |

From the findings in table 4.14 the study found that with a constant revenue collection of 0.957 a unit increase in communication strategy will cause a 0.336 increase in revenue collection, a unit increase in implementation strategy will lead to 0.163 increase in revenue collection and a unit increase in evaluation strategy will lead to an increase in revenue collection by 0.223. This represented in the following equation;

$Y = 0.957+0.336x_1+, \varepsilon$ translating to;

Revenue Collection = 0.957 + 0.336(communication strategy) + ε

These results were interpreted to mean communication strategy is an important variable in revenue collection contributing about 33.6%. In addition the study coefficient were all significant giving an implication that there was a significant relationship between corporate planning and revenue collection as depicted by the t-test; constant ($t=2.566$, $p<0.05$), communication strategy ($t=4.825$; $p<0.05$).

**Hypotheses Testing**

The study findings rejected the $Ho_1$ because there was a statistical significant effect of communication strategy on revenue collection at Kenya Revenue Authority ($t=4.825$; $p<0.05$). These gives implication that appropriate communication strategy used in KRA is clear where the sender and receiver use the same channel and are experienced using it. It provides relevant information and adequate motivation to impact on attitudes and behaviors of individuals or groups of people Strategic communication management adopted at KRA as the systematic planning and realization of information flow, communication, media development and image care in a long-term horizon. The current revenue authority's service charter is well articulated, simplified and practicable which helps in enhancing the revenue collections, KRA mission, vision and Values are sufficiently communicated and understood, the feedback mechanism at KRA are installed and clear and the KRA has put in place proper systems to ensure reliable media flow throughout organization structure.

The results concur with Husain (2013) that communication strategy is evidence based, results oriented process, undertaken in consultation with the participant groups. It provides relevant information and adequate motivation to impact on attitudes and behaviors of individuals or groups of people. It involves monitoring the changes in peoples' attitudes and behaviors as laid down by the programme objectives. Strategic communication management is the systematic planning and realization of information flow, communication, media development and image care in a long term horizon. Strategic communication allows organizations to create and distribute

communications that while different in style and purpose, have an inner coherence.

In addition the results agrees with findings done by Dissanayake, (2012) that strategic communication is the synchronization of images, actions and words to achieve a desired effect. In this study, communication is viewed as a professional practice where suitable tools and regulations can be applied in order to improve the utility of the data communicated, and is a social process of interaction between individuals. This implies that companies seeking to experience increased efficiency in communication from cultural diversity face a dilemma. If they embrace diversity, they risk communication problems, and if they avoid diversity, they risk losing some of the benefits of innovative thinking.

## 5.0 SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

From objective one the study results revealed that there is effect of communication strategy on revenue collection at Kenya Revenue Authority. This is seen through the current authority's service charter which is well articulated, simplified and practicable which helps in enhancing the revenue collections, KRA mission, vision and Values are sufficiently communicated and understood, the feedback mechanism at KRA are installed and clear and the KRA has put in place proper systems to ensure reliable media flow throughout organization structure. These gives implication that appropriate communication strategy used in KRA is clear where the sender and receiver use the same channel and are experienced using it. It provides relevant information and adequate motivation to impact on attitudes and behaviors of staff. Strategic communication management adopted at KRA as the systematic planning and realization of information flow, communication, media development and image care in a long-term horizon.

### Conclusions

The study concluded that revenue collection at Kenya Revenue Authority is affected positively by communication strategy among other factors. These gives implication that appropriate communication strategy used in KRA is clear where the sender and receiver use the same channel and are experienced using it. It provides relevant information and adequate motivation to impact on attitudes and behaviors of individuals or groups of people strategic communication management adopted at KRA as the systematic planning and realization of information flow, communication, media development and image care in a long-term horizon.

### Recommendation

The researcher recommends that:

KRA should adopt appropriate communication strategy in order provides relevant information and adequate motivation to impact on attitudes and behaviors of individuals or groups of people. They should convey deliberate message through the most suitable media to the designated clients at the appropriate time to contribute to and achieve the desired long-term effect.

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